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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #02206-87/1 21 May 1987

MEMORANDUM FOR: Acting Director of Central Intelligence

THROUGH:

National Intelligence Officer for Warning

FROM:

Frederick L. Wettering

National Intelligence Officer for Africa

SUBJECT:

Warning and Forecast Report: Sub-Saharan Africa

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A Warning and Forecast meeting on Sub-Saharan Africa was held on 19 May 1987. The attached report has not been coordinated with meeting participants but is being circulated to them. If they believe their views have been misinterpreted, or if they have significant additional concerns, I'll report further to you.

Frederick L. Wettering

Attachment:

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| 2. Chad Updat established on the | | e discussion. Consensus was | |
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| area. Som occurred, 3,500. Ha operating yet due to | e reinforcement of L with total Libyan for bre's FANT forces ha in the area. These I | committed to holding on to the Aozou ibyan forces at this point has rces in the area numbering about ve about 6,000 troops capable of have not been fully amassed for attached blems and problems with mines. Some nto the Aozou area. | Κ |
| | | recovered somewhat from a recent low l suspicion and animosity. | |
| out of the be to atta | ir last toehold in C ck Aozou town and th be sent from their | mined to attack and drive the Libyans had. The most likely procedure would en ambush any Libyan reinforcements stronghold at Aozou airfield several | |
| appears likely wit | hin the next 30 days le Habre from this. | byan positions in the Aozou area despite French and other external FANT forces stand a reasonably good | |
| 7 June at Faya Lar | geauat which there fers an in <u>viting tar</u> | et's national day gala scheduled for will be considerable foreign get for a Libyan-sponsored terrorist | ٦ |
| | | | |
| | | noted the recent decision by the ern-sponsored economic reform plan | |

- In the very short term, President Kaunda's decision is likely to be popular with the masses. Fixed prices and new spending will temporarily halt the slide in the standard of living.

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- -- The one exception to a benign immediate impact revolves around the Zambian decision to limit debt service to 10 percent of hard currency earnings. If Zambia sticks to this, it will lose a \$400 million World Bank disbursement, which would create some immediate problems. It appears likely that Zambia will negotiate with donors, including the Bank, and back off of this decision. The donors are likely to proceed cautiously and at most suspend loans and aid disbursements rather than cancel them.
- -- Severe negative effects of the Zambian decision will manifest themselves in a couple of months. There will be a severe foreign exchange crunch, serious shortages will appear, the black market and smuggling will become rampant, and the street value of the Zambian currency will depreciate rapidly against Western currency. Sporadic strikes will begin.
- -- President Kaunda appears to be heeding a coterie of leftist economic advisers rather than the pragmatists who surrounded him in the last two years. Thus the return to state controls over the economy will likely deepen.

| President Kaunda | | | | | | |
|--|--|--|--|--|--|--|
| · | sees the opposition of the Zambian | | | | | |
| and alleged dissidents. A | ve and has already cracked down on unions is economic-based grumbling increases, he crackdowns and move Zambia closer to a | | | | | |
| reported reported | arms deal with the Soviets seems ecurity concerns, both domestic and South | | | | | |
| | resources will be allocated to security | | | | | |
| forces, both to defend the regime and mollify the forces | | | | | | |
| themselves. | | | | | | |
| | ness to back off of the 10 percent limit tain short-term negative economic | | | | | |
| | oncerns will drive him to <u>increasingly</u> | | | | | |
| sive moves against critics a | | | | | | |

4. South African Update: NIO/AF led a brief self-criticism session on predicting the election results. He noted that no one had called it really well, and the closest estimate he saw was contained in the recent SNIE on South Africa. The NIO opined that insufficient attention was paid to why P. W. Botha was playing so hard to the white right; P.W. in fact recognized the gravity of the threat. One analyst suggested that the National Party,

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| being perceived as reformist but concerned with security, successfully coopted a large bulk of the Anglophone voters, and the PFP's lack of a security policy combined with white apprehension drove Anglophones into the NP. There was some sentiment that some of the reporting on the alleged strength of liberals and moderates during the campaign may have reflected wishful thinking. The following points were agreed to in an examination of the short-term implications of the election: | 25X1 |
| On the succession issue, both leading candidates Heunis and de Klerk were badly bruised by the election. It is too early to tell who was helped, but an examination of alternate candidates must increase. Reform/repression: Botha will likely reiterate reforms hinted at in the last yeara National Statuatory Council for blacks, some fiddling with the Group Areas Act. Given the strengthening of the right, most reforms will be put off until next year. The major theme of the government will be a continuation and heightening of repression of opposition, with new crackdowns on extraparliamentary groups and overseas funding of such groups. There will be new actions against militants in the COSATU labor federation, but the government will not ban it outright and will move cautiously with the mineworkers' union. | |
| On cross-border activities, the imperative for highly visible cross-border actions has probably dwindled, but the SAG will certainly continueactions against ANC offices and personnel in neighboring states. Zimbabwe seems to top the list of states that are likely targets of security forces actions against the ANC presence. Given SAG loss of support in northern Transvaal, some reprisals for new ANC actions can be expected. | 25 X 1 |
| On Namibia, the SAG is now likely to be even less receptive to pressures for reforms in Namibia, either from abroad or from Namibian political groups. The SAG will probably not repudiate UNSCR 435 but may well dissolve the Transitional Government at some point. It will almost certainly allow the Constitutional Council to expire this month. The SAG will explore the prospects for ethnic elections and attempt to coopt Ovambo leader Kalangula. | 25X1 |
| In addition to the above points of consensus, there was spirited debate on the implications of the election insofar as it relates to the relationship and future prospects of the NP in regard to the Conservative Party, but there was no consensus achieved. | 25X1 |

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| WARNING | NOTE: We expect a crackdown on extraparliamentary opportunity | oosition ion the SAG |
| groups, inc | cluding those funded by the US Government, and we envis- sures to limit or end such external funding of groups w | hich annov |
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| it. | | |
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SUBJECT: Warning and Forecast Report: Sub-Saharan Africa

The following components were represented at the Sub-Saharan Africa warning meeting:

EXTERNAL:

Office of the Vice President
DIA/DIO/Africa
DIA/DE-4
DIA/DB-8
DIA/JSI-5B
DIA/OA-6
Army/OACSI
Army/ITAC
Air Force
State/INR

NSA

INTERNAL:

DDI/ALA/AF DDI/CRES DDI/LDA DDI/EURA DDI/OIA NPIC FBIS DDO/AF ICS/OHC